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TREASURY FOR U/S LEVEY, AA/S ANDEW BAUKOL AND DAS DANIEL
GLASER, NSC FOR SHERWOOD-RANDALL AND BRINK

E.O. 12958: N/A
TAGS: [EFIN](#) [KTFN](#) [PTER](#) [PREL](#) [TU](#)
SUBJECT: TURKEY: GOT ARGUES PUBLIC LISTING BY FATF WOULD BE
UNFAIR

REF: 09 ANKARA 1725

¶1. (SBU) MFA U/S Feridun Sinirlioglu summoned the Ambassador February 8 to argue that Turkey should not be publicly named by the Financial Action Task Force (FATF) for deficiencies found in the FATF's special review. Sinirlioglu argued that when the FATF began this special review, the Mutual Evaluation Review (MER) reports on more than 50 other countries) including many in Europe) were not finalized and they therefore were not considered for inclusion. Some of those countries have problems more serious than Turkey's. Turkey has cooperated fully with FATF, Sinirlioglu argued, but the process was conducted in haste, had some discrepancies (unspecified) and was not objective.

¶2. (SBU) Any country that is listed by FATF as even partially deficient will be hard hit from an international investment perspective, competing against many of the 50 countries whose AML/CTF regimes were not reviewed. Turkey is therefore at a disadvantage, and including Turkey on a public list is simply unfair until all countries are reviewed.

¶3. (SBU) Sinirlioglu noted that Turkey has formed a task force to address its deficiencies and will present draft legislation soon to the Parliament, but the legislative process is slow and FATF needs to be patient. Repeating that many European countries were not even subject to the special review, he asked that FATF give Turkey fair treatment.

¶4. (SBU) Ambassador noted that the US is pleased with the task force that Turkey has set up and the seriousness that Finance Minister Simsek and the GOT has shown recently in addressing FATF's concerns. However, the US and FATF have tried to work with Turkey over the past five years to help Turkey change its definition of terrorism and terror financing legislation to ensure tighter controls, but Turkey has been slow to act.

¶5. (SBU) Comment: If the Turks' contention is accurate -- that more than 50 countries, some of whom compete directly with Turkey for investment, were not subject to this review -- publicly listing Turkey could well put it at a competitive disadvantage. The domestic political debate over the GOT's Kurdish opening and attempts to bring the PKK down from the mountains guarantees that passing any legislation on terrorism will be difficult, and the perception that it responds to a foreign demand will make it even harder to pass. It at all possible, we recommend that Turkey's public listing be delayed, with a firm warning to Turkey that without concrete progress it will be listed in 2011.

Jeffrey

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